

PROJECT MANAGEMENT GUIDELINE

SECTION 5 – PROJECT CLOSEOUT PHASE

Section 5: Project Closeout

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Introduction

Project Closeout Phase

The Project Closeout Phase is the last phase in the project lifecycle. Closeout begins when the user accepts the project deliverables and the project oversight authority concludes that the project has meet the goals established. The major focus of project closeout is administrative closure and logistics.

Project closeout includes the following key elements:

- Turn over of project deliverables to operations
- Redistributing resources—staff, facilities, equipment, and automated systems
- Closing out financial accounts
- Completing, collecting, and archiving project records
- Documenting the successes of the project
- Documenting lessons learned
- Planning for Post Implementation Review

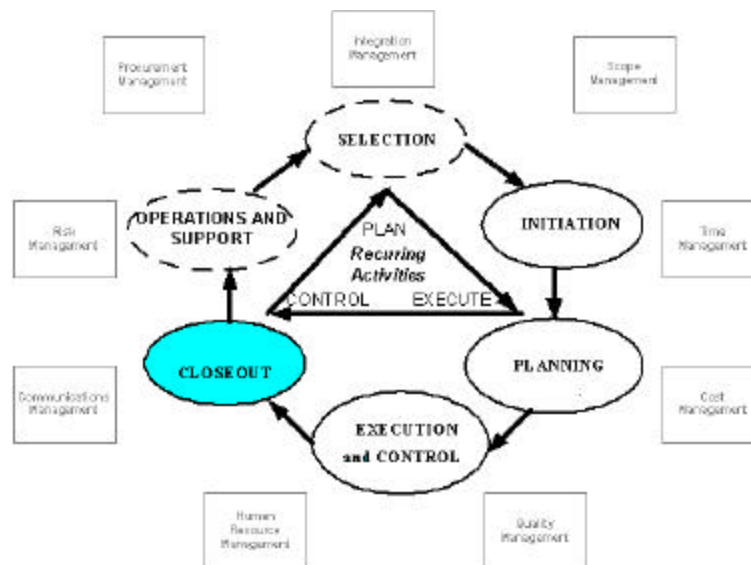


Figure 5.1
Project Management Knowledge Areas, Lifecycle, and Recurring Activities

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Activities and Documents in the Closeout Phase

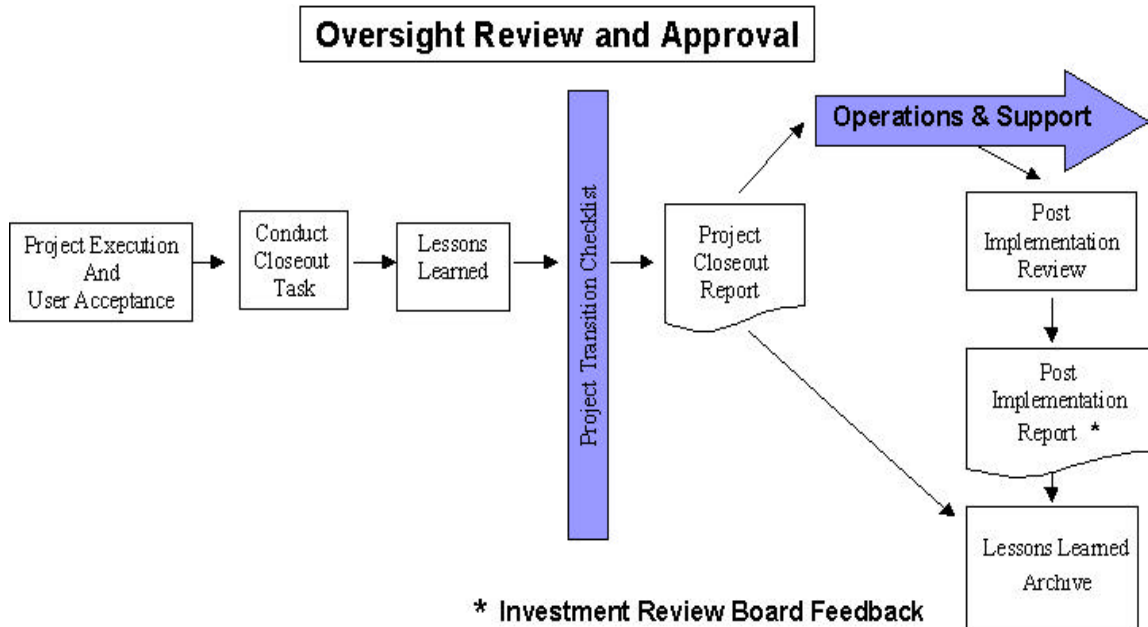


Figure 5.2
Project Closeout Phase Processes

The major activities in the Closeout Phase (Figure 5.2) consist of tasks that are typically administrative and logistical in nature. Initially, the focus is on performing the tasks associated with dispensing and reconciling personnel, property, and funding. When these tasks are finished, the attention of the project manager is focused on documentation of lessons learned and project closure. At some predetermined point, a Post Implementation Review of the project deliverables is conducted. The primary documents prepared during this phase include the Project Transition Checklist, Project Closeout Report, and Post Implementation Report.

Project Closeout Task

Turnover to Operations

The most important aspect of project closeout is the physical turnover of control of the product, good, or service delivered by the project. All project deliverables will need to be maintained and supported after the project team disbands. An operational unit of the organization (for which the deliverable is developed) assumes responsibility for the support of the deliverable. Procedures for this turnover and acceptance by the operational unit must be determined. Turnover and acceptance activities include but are not limited

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to knowledge transfer, documentation transfer, and physical transfer of the deliverable. A formal acknowledgement of receipt (acceptance) of the project deliverable is executed by the operations and project managers.

Administrative Closure

Administrative closure involves the preparation of administrative documentation, collection of project documentation, disposition of project documents, and logistics activities that ensure that the project resources are redistributed. Administrative closure includes, but is not limited to, task such as archiving, financial account closure, facilities turnover (or closure), contract closure, and personnel reassignment.

Collecting Project Archive Data - Historic project data is an important source of information to help improve future projects. Typically, the following project data is archived:

- Project notebook
- Project concept document
- Project Charter
- Project Plan
- Project management and oversight review records
- Correspondence
- Meeting notes
- Status reports
- Contract file
- Technical documents, files, program, tools, etc.,

All records should be stored following Commonwealth of Virginia record retention guidelines. Summary technical information should be electronically stored for historical reference to facilitate later review. The project archive should include a description of the files being submitted, the application (including version) used to create the archived materials, and a point of contact.

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Personnel - If personnel have been committed to the project full-time, it is important to get the people back into the available resource pool as quickly as possible. This will ensure that the staff stays busy and that other projects within the organization do not fall short of resources. In some cases, employee performance reports or other documentation must be prepared for personnel assigned to the project manager. In matrix organizations, the project manager should communicate to the functional manager information about the performance of the employee. The project manager should also make recommendations for recognition of performance as the case may warrant. Before any employee is officially transferred, the project manager or his representative must ensure that all project materials and property are turned over by the employee. The project manager must also ensure that each employee's project hours have been accounted for and charged to the project.

Facilities - If the project team has occupied agency facilities for a long period of time during the project, it is a good idea to let the controlling facilities personnel know that the space used for the project will become available again. Be sure to check facilities guidance documentation to determine whether changes made to the project team area (structure, equipment, or technical modifications) are the responsibility of the project team after the project is complete. Returning the facility and equipment to its original state could add unanticipated cost and manpower to a project.

Financial Account Closure - Financial closure is the process of completing and terminating the financial and budgetary aspects of the project. Financial closure includes both (external) contract closure and (internal) project account closure. All expenditures must be accounted for and reconciled with the project account. When financial closure is completed, all expenditures made during the project have been paid as agreed to in purchase orders, contracts, or inter-agency agreements.

Contract closure is the process of terminating contracts with external organizations or businesses. These contracts may be vehicles for providing technical support, consulting, or any number of services supplied during the project that the agency decided not to perform with internal resources. Contracts can be brought to closure for a variety of reasons, including contract completion, early termination, or failure to perform. Contract closure is a typical but important part of project management. It is a simple process, but close attention should be paid so that no room is left for liability of the agency.

In order to close a contract it is important to collect all of the pertinent documentation for review. This will include all of the original contracts and supporting documentation such as schedules, contract changes, and performance reports. This documentation needs to be reviewed thoroughly to ensure there are no unrealized contract issues that could result in legal liability. A thorough review of the procurement and contracting documents must include contract milestones, services provided or deliverables and documentation delivered.

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To formally close a contract, the agency provides the contracted company or organization with a formal written notice stating the completion of the contract and reason for termination. Standard verbiage for acceptance and closure is usually found in the original contract itself.

It is also a good idea to keep a complete set of contractual records for the project in a safe and accessible place in case they need to be referenced at any point in the future.

Lessons Learned

Lessons learned are the documentation of the experience gained during a project. These lessons come from working with or solving real-world problems. Lessons learned document identified problems and how to solve them. Lessons learned are gathered to help eliminate the occurrence of the same problems in future projects.

Lessons learned typically provide: a brief discussion of the problem to identify its nature, source, and impact; site any references that provide additional detail (references may include project reports, plans, issue logs, change management documents); and general literature or guidance used from another source; and, recording the corrective actions taken and results.

Lessons Learned Sessions

In addition to communicating the closure of a project in writing, it is also advisable to have a mechanism for group review. Lessons learned sessions are valuable closure and release mechanisms for team members, regardless of the project's success. The lessons learned session is typically a meeting or a series of meetings that may include the following:

- Project team
- Stakeholder representation—including external project oversight
- Executive management
- Maintenance and operation staff

For a lessons learned session to be successful the problems encountered by the project team must be openly presented. It is important, however, that the problem discussions do not merely point a finger at some target other than the project team; responsibility and ownership for problem areas are critical to developing useful recommendations for future processes.

Problems that were encountered should be prioritized with focus on the top five to ten problems. It is not necessary to document every small thing that happened. However, all

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legitimate problems and issues should be discussed as requested by customers or management.

Lessons Learned Format

There are numerous formats for documenting lessons learned. Typically, each lesson learned is documented on a single page. The document should contain in its heading the name of the project, date, and point of contact for the lesson learned. The body should describe the lesson learned in the following paragraphs:

- Statement of the Problem – Describe the problem that occurred. Provide sufficient detail to establish what happened.
- Discussion – Describe in detail the cause and impact of the problem.
- References – Provide any references used or other sources of information that may be helpful in understanding the problem or corrective actions.
- Corrective Actions – Identify what corrective actions were taken and discuss the results. If a corrective action was not taken, but became apparent later, identify this action as well.

Project Closeout Transition Checklist

The Project Transition Checklist provides a vehicle to verify completion of a project phase before beginning the next phase. The transition checklist used at the closeout phase focuses on completion of project tasks and satisfying acceptance criteria. Additionally, the transition checklist forces the project team and using organization to address the issue transfer for both the deliverable and associated documentation.

Project Closeout Transition Checklist is a list of questions that indicates necessary actions have been accomplished before completing the Project Closeout Report. The checklist provides a status column where the completion status of project elements is recorded (as one of the answers shown below).

- Y = Item has been addressed and is completed.
- N = Item has not been addressed, and needs to be to complete the process.
- N/A = Item has not been addressed and is not related to this project.

Comments or plans to complete items that have not been addressed are also documented on the checklist.

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Project Closeout Transition Checklist

Provide basic information about the project including: Project Title – The proper name used to identify this project; Project Working Title – The working name or acronym that will be used for the project; Proponent Secretary – The Secretary to whom the proponent agency is assigned or the Secretary that is sponsoring an enterprise project; Proponent Agency – The agency that will be responsible for the management of the project; Prepared by – The person(s) preparing this document; Date/Control Number – The date the checklist is finalized and the change or configuration item control number assigned.

Project Title: _____ **Project Working Title:** _____

Proponent Secretary: _____ **Proponent Agency:** _____

Prepared by: _____ **Date/ Control Number:** _____

Complete the Status and Comments column. In the Status column indicate: Yes, if the item has been addressed and completed; No, if item has not been addressed, or is incomplete; N/A, if the item is not applicable to this project. Provide comments or describe the plan to resolve the item in the last column.

	<i>Item</i>	<i>Status</i>	<i>Comments/ Plan to Resolve</i>
1	Have all the product or service deliverables been accepted by the customer?		1.
1.1	Are there contingencies or conditions related to the acceptance? If so, describe in the Comments.		2.
2	Has the project been evaluated against each performance goal established in the project performance plan?		3.
3	Has the actual cost of the project been tallied and compared to the approved cost baseline?		
3.1	Have all approved changes to the cost baseline been identified and their impact on the project documented?		

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	<i>Item</i>	<i>Status</i>	<i>Comments/ Plan to Resolve</i>
4	Have the actual milestone completion dates been compared to the approved schedule?		
4.1	Have all approved changes to the schedule baseline been identified and their impact on the project documented?		
5	Have all approved changes to the project scope been identified and their impact on the performance, cost, and schedule baselines documented?		
6	Has operations management formally accepted responsibility for operating and maintaining the product(s) or service(s) delivered by the project?		
6.1	Has the documentation relating to operation and maintenance of the product(s) or service(s) been delivered to, and accepted by, operations management?		
6.2	Has training and knowledge transfer of the operations organization been completed?		
6.3	Does the projected annual cost to operate and maintain the product(s) or service(s) differ from the estimate provided in the project proposal? If so, note and explain the difference in the Comments column.		
7	Have the resources used by the project been transferred to other units within the organization?		

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	<i>Item</i>	<i>Status</i>	<i>Comments/ Plan to Resolve</i>
8	Has the project documentation been archived or otherwise disposed as described in the project plan?		
9	Have the lessons learned been documented in accordance with the Commonwealth Project Management guideline?		
10	Has the date for the post-implementation review been set?		
10.1	Has the person or unit responsible for conducting the post-implementation review been identified?		

Signatures

The Signatures of the people below relay an understanding that the key elements within the Closeout Phase section are complete and the project has been formally closed.

<i>Position/Title</i>	<i>Name</i>	<i>Date</i>	<i>Phone Number</i>

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Project Closeout Report

A Project Closeout Report documents the completion of closeout tasks and project performance. The report provides a historical summary of the projects deliverables and baseline activities over the course of the project. Additionally, the project closeout report identifies variances from the baseline plan, lessons learned, and disposition of project resources. The project closeout report is intended to provide a concise evaluation of the project.

The project manager typically has responsibility for preparing the report. The project manager gets input from the entire project team, the customers, and other major stakeholders. People performing different functions on the project will have different outlooks on the successes and failures of the project and on possible solutions. The Project Closeout Transition Checklist is used to guide the development of the report. Lessons learned sessions and the User Acceptance Report are also used.

Establishing the date for a future post implementation review of the deliverable is the final element of the closeout report. This date must be coordinate and agreed to by the organization and project manager. Typically, the project manager or project sponsor will conduct a project implementation review after the deliverable has been in service for a period of time adequate for evaluation of the product or service's successful integration into the business. Typically, a six-month period is adequate.

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Project Closeout Report Instructions and Template

A. General Information – Basic information that identifies the project.

Project Title – The proper name used to identify this project.

Project Working Title – The working name or acronym used to identify the project. If an acronym is used, define the specific meaning of each letter.

Proponent Secretary – The Secretary to whom the proponent agency is assigned or the Secretary that is sponsoring an enterprise project.

Proponent Agency – The agency that will be responsible for the management of the project.

Prepared by – the person(s) preparing this document.

Date/Control Number – The date the report is finalized and the change or configuration item control number assigned.

B. Project Deliverables - List all product or service deliverables in the first column. In the second column record the date that each deliverable listed in the first column was accepted. Describe any contingencies or conditions related to the acceptance of the deliverables listed in the first column.

C. Performance Baseline - Evaluate how the project performed against each of the performance goals established in the Project Performance Plan. Copy the first two columns from the Project Performance Plan. In the third column, record the results of the measurement of performance prescribed in the Project Performance Plan.

D. Cost (Budget) Baseline - State the actual cost of the project and compare it to the planned cost baseline. In the Variance column, record the difference between planned and actual cost. Provide the reason for the variance in the Explanation column. Include in the explanation information on any approved changes to the cost baseline and their impact on the project. Document and explain all cost and funding variances, including approved changes to the cost baseline.

E. Schedule Baseline - Compare the initial approved schedule baseline against the actual completion dates. Extract the WBS Elements, Start Dates, and Finish Dates from the baseline schedule and record them in the WBS Element, Planned Start Date, and Planned Finish Date Columns. Record the Actual Start Date and Actual Finish Date for each WBS element in the columns with those headings. In the Explanation for Change column, provide a brief reason for any difference(s) and describe the impact on the project.

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- F. Scope** - Document any changes to the project scope and describe the impact of each change on performance, cost, or schedule baselines in the appropriate column.
- G. Operations and Maintenance** - Describe the plan for operation and maintenance of the product, goods, or service delivered by the project. State the estimated annual cost to operate and maintain the product, good, or service. If the estimated cost differs from the original cost estimate in the project proposal, identify where and why the estimated cost differs. If the operation and maintenance plan is not in place, specify when the plan will be completed and what the impact is of not having a plan for the operations and maintenance of the product, goods, or services delivered.
- H. Project Resources** - List the resources used by the project in the first column. In the second column, identify to whom the resource was transferred. In the next column, indicate when the resource was transferred. Account for all project resources specified in the Resource Plan and utilized by the project.
- I. Project Documentation** - Identify all project documentation materials stored in the project library or other repository. Identify the type of media used and the disposition of the project documentation (see Communications Plan).
- J. Lessons Learned** - Identify lessons learned for feedback to the Commonwealth Project Management process. Lessons learned are identified as problems (or issues). Provide a brief discussion of the problem that identifies its nature, source, and impact. Site any references that provide additional detail. References may include project reports, plans, issue logs, change management documents, and general literature or guidance used that comes from another source. Record the corrective actions taken and results in the last column.
- K. Dates for Post Implementation Review and Report** - Identify the date for completing the post implementation report and the person responsible for this action.
- L. Approval** - The person(s) making the report authenticate its contents by signing as appropriate.

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Project Closeout Report

A. General Information

Provide basic information about the project including: *Project Title* – The proper name used to identify this project; *Project Working Title* – The working name or acronym that will be used for the project; *Proponent Secretary* – The Secretary to whom the proponent agency is assigned or the Secretary that is sponsoring an enterprise project; *Proponent Agency* – The agency that will be responsible for the management of the project; *Prepared by* – The person(s) preparing this document; *Date/Control Number* – The date the report is finalized and the change or configuration item control number assigned.

Project Title: _____ **Project Working Title:** _____

Proponent Secretary: _____ **Proponent Agency:** _____

Prepared by: _____ **Date/ Control Number:** _____

B. Project Deliverables

List all Project Deliverables and the date each was accepted by the user. Identify any contingencies or conditions related to the acceptance.

<i>Deliverable</i>	<i>Date Accepted</i>	<i>Contingencies or Conditions</i>

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C. Performance Baseline

Document how the project performed against each Performance Goal established in the Project Performance Plan.

Project Business Objective	<i>Performance Goal</i>	<i>Results</i>

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D. Cost (Budget) Baseline

State the Planned Cost and Funding for the project, as approved in the Initial Cost Baseline and the Project Charter. State the Actual Cost and Funding at completion. Document and explain all cost and funding variances, including approved changes to the cost baseline.

Expenditures (\$000)				
	<i>Planned</i>	<i>Actual</i>	<i>Variance</i>	<i>Explanation</i>
<i>Internal Staff Labor</i>				
<i>Services</i>				
<i>Software Tools</i>				
<i>Hardware</i>				
<i>Materials and Supplies</i>				
<i>Facilities</i>				
<i>Telecommunications</i>				
<i>Training</i>				
<i>Contingency (Risk)</i>				
<i>Total</i>				

Funding Source (\$000)				
	<i>Planned</i>	<i>Actual</i>	<i>Variance</i>	<i>Explanation</i>
<i>General Fund</i>				
<i>Non-General Fund</i>				
<i>Federal</i>				
<i>Other</i>				
<i>Total</i>				

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E. Schedule Baseline

Compare the initial approved schedule baseline against the actual completion dates. Enter the planned start and finish dates from the initial schedule baseline. Document all actual start, finish dates, and explain any schedule variances, including approved changes to the schedule baseline

[illegible]

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F. Scope

Document any changes to the Project Scope and their impact on Performance, Cost, or Schedule Baselines.

<i>Scope Change</i>	<i>Impact of Scope Change</i>

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G. Operations and Maintenance

Describe the plan for operation and maintenance of the product, good, or service delivered by the project. State the projected annual cost to operate and maintain the product, good, or service. Identify where and why this projection of cost differs (if it differs) from the Project Proposal. If the operation and maintenance plan is not in place, what is the target date for the plan and what is the impact of not having operations and maintenance for the product, good, or services in place.

1. Operations and Maintenance Plan

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2. Operations and Maintenance Cost

Expenditures (\$000)				
	<i>Planned</i>	<i>Actual</i>	<i>Variance</i>	<i>Explanation</i>
<i>Internal Staff Labor</i>				
<i>Services</i>				
<i>Software Tools</i>				
<i>Hardware</i>				
<i>Materials and Supplies</i>				
<i>Facilities</i>				
<i>Telecommunications</i>				
<i>Training</i>				
<i>Contingency (Risk)</i>				
<i>Total</i>				

Funding Source (\$000)				
	<i>Planned</i>	<i>Actual</i>	<i>Variance</i>	<i>Explanation</i>
<i>General Fund</i>				
<i>Non-General Fund</i>				
<i>Federal</i>				
<i>Other</i>				
<i>Total</i>				

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H. Project Resources

List the Resources specified in the Resource Plan and used by the project. Identify to whom each resource was transferred and when it was transferred. Account for all project resources utilized by the project.

<i>Resource (Describe or name the resource used)</i>	<i>Person or Organization Who Received Resource</i>	<i>Turnover Date</i>
<i>Project Team</i>		
<i>Customer Support</i>		
<i>Facilities</i>		
<i>Equipment</i>		
<i>Software Tools</i>		
<i>Other</i>		

I. Project Documentation

Identify all project documentation materials stored in the project library or other repository. Identify the type of media used and the disposition of the project documentation (see Communications Plan).

[illegible]

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J. Lessons Learned

Identify Lessons Learned for feedback to the Commonwealth Project Management process. Lessons Learned should be stated in terms of Problems (or issues) and Corrective Actions taken. Provide a brief discussion of the problem that identifies its nature, source, and impact. Site any references that provide additional detail. References may include project reports, plans, issue logs, change management documents, and general literature or guidance used that comes from another source.

<i>Statement of Problem</i>	<i>Discussion</i>	<i>References</i>	<i>Corrective Actions</i>

K. Dates for Post Implementation Review and Report

Identify the date for completing the post implementation report and the person responsible for this action.

<i>Action</i>	<i>Date</i>	<i>Responsible Person</i>
<i>Post - Implementation Review</i>		
<i>Post - Implementation Report</i>		

L. Approvals

<i>Position/Title</i>	<i>Signature/Printed Name/Title</i>	<i>Date</i>
<i>Project Manager</i>		
<i>Project Sponsor</i>		
<i>Program/Agency Management</i>		

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Post Implementation Review and Report

A Post Implementation Review and Report documents the successes and failures of the project deliverable. The review process should be directed by the project sponsor or manager. The review is a collection of data from the organization and users about the deliverable. The data will be used in a report that is focused on how well the deliverable performed, how well users accepted the deliverable, and what is the actual cost to operate and maintain the deliverable. Fundamentally, the report addresses whether or not the projected return on investment was achieved.

The report will specifically address:

- How well the deliverable solved the Business Problem identified in the Project Charter
- Impact the deliverable had on the Agency Core Business Activities
- Project Performance Measures
- Actual operational cost versus projected operational cost
- User acceptance or satisfaction with the delivered product
- Organizational change required or resulting from the deliverable
- Actual Return on Investment for the period versus projected return on investment

Post Implementation Report Format

Cover Page
Title
Organization or Agency
Date
Authors Name
Address
Phone Number
Email Address
Report Body
Executive Summary
Table of Contents
Introduction
Background
Post Implementation Review process or methodology used
Project Proposal
Project Charter
Findings
Recommendations